



# County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

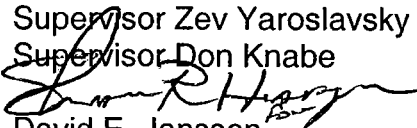
YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

January 20, 2006

To: Mayor Michael Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
From:   
David E. Janssen  
Chief Administrative Officer

## SACRAMENTO UPDATE

### Legislative Analyst's Office Releases Analysis of Impact of Pending Federal Deficit Reduction Act of 2005 on State Finances

Today, the Legislative Analyst's Office (LAO) released its analysis of the fiscal effect of the pending Federal deficit reduction plan on the State of California. Between FFY 2006 through FFY 2010, the Federal plan is expected to reduce Federal funds coming to the State by \$1.7 billion while requiring additional General Fund expenditures of \$1.4 billion.

While the largest change in Federal program funding from the proposed budget will affect student aid loans, anticipated increased penalties in the Temporary Assistance for Needy Families (TANF) program resulting from new Federal work participation requirements are expected to total \$445 million in lost revenue between FFY 2006 and FFY 2010. In addition, changes to prohibit the use of incentive funds to meet the State matching requirement in the child support program would result in a loss of \$270 million over the same five year period.

The impact on the State General Fund includes increases of \$180 million annually to the State maintenance of effort in the TANF program for FFY 2007 through FFY 2010 totaling \$720 million. The other major impact would be the backfill of the loss of quality improvement fees that are currently charged to

medical providers to meet the State's matching requirements. This is expected to cost the State \$250 million in FFY 2010.

The LAO's analysis of the impact on the State may not be reflective of the impact on the County. The State, for example, may be able to change State law or regulations to mitigate the fiscal impact on the State, or transfer fiscal responsibility to local governments notwithstanding the provisions of Proposition 1A that were intended to limit these transfers. My office will continue to work with affected departments to estimate the impact of Federal and State budget actions on the County.

The LAO's report is available at [www.lao.ca.gov](http://www.lao.ca.gov).

### **Status of County-Interest Legislation**

**County-sponsored SB 699 (Soto)**, which would change California's HIV reporting system from code-based to names-based, passed the Senate on January 19, 2006 by a vote of 33 to 0, and now proceeds to the Assembly. Senator Sheila Kuehl stated that, with recent amendments, there are sufficient confidentiality protections in place and pledged her "full support" for the bill. Senator Deborah Ortiz also spoke on behalf of the bill, and indicated that switching to a names-based system is a major public health advancement for California, and that it will prevent the State from losing critically-needed Federal funding for HIV/AIDS services. Our Sacramento advocates are working with Assembly members and committee consultants to have the bill heard in the Assembly Health and Appropriations Committees within the next couple of weeks.

**Meeting of Senate Elections Committee.** The Senate Elections, Reapportionment and Constitutional Amendments Committee, chaired by Senator Debra Bowen held an informational hearing on voting systems on January 18, 2006. According to Los Angeles County Registrar/Recorder Conny McCormack, California elections officials have repeatedly expressed concerns regarding the lack of certified voting systems to meet the January 1, 2006 Federal requirement that each polling place provide access for disabled voters, and the State's requirement that each electronic voting machine must be equipped with an Accessible Voter Verified Paper Audit Trail (AVVPAT). However, currently, there are not sufficient AVVPAT voting machines certified by the Secretary of State.

The Registrar/Recorder also informed the committee that the County intends to introduce new voting technology in phases. Additionally, in the County, every voter has the option of voting prior to the election day by using the Direct Recording Electronic (DRE) system, receiving an absentee Inka Vote ballot by

mail, or going to a neighborhood polling place on election day to vote on the Inka Vote system. However, due to the lack of certified DRE voting systems in California, the option for County voters to cast a ballot using DRE equipment during the early voting period is now in jeopardy. In concluding her remarks, she stated that the environment of ever-changing voting laws and regulations has destabilized the election administration process.

We will continue to keep you advised.

DEJ:GK  
MAL:SK:MS:SZ:RM:cc

c:     Executive Officer, Board of Supervisors  
         County Counsel  
         Local 660  
         All Department Heads  
         Legislative Strategist  
         Coalition of County Unions  
         California Contract Cities Association  
         Independent Cities Association  
         League of California Cities  
         City Managers Associations  
         Buddy Program Participants